

Exhibit No. 6  
Date 4-10-07 #2  
Bill No. HB 371**HB 371****- Building High Wage Manufacturing Jobs for Montana -*****What does HB 371 do?***

HB 371 appropriates \$1.5 million to the Montana Manufacturing Extension Center (MMEC) at Montana State University – Bozeman.

***How will the funds be used?***

The bill provides a \$1 million grant for a competitively bid demonstration construction project that houses clusters of economic development programs in a one-stop center, and it provides \$500,000 to MMEC to expand the coverage of services originated under the State's workforce innovation in regional economic development (WIRED) program. These funds will help the State meet its goals under the Workforce Investment Act of 1998.

***How does a one-stop center fit into the State's goals?***

Under the State's plan for implementation of the Workforce Investment Act of 1998, the development of business one-stop centers is listed as one of the Governor's key workforce investment priorities for Montana's public workforce system. Montana and the State Workforce Investment Board encourage the integration of services and collaborative partnerships through business one-stop centers wherever possible to expand services and ensure the most cost effective use of funding by reducing duplication. Communities or regions that have the desire and ability to implement a business one-stop will be given the maximum flexibility to do so, according to the state plan. The State Workforce Investment Board intends to identify and direct technical assistance to one-stop centers and encourages the inclusion of local and regional economic development organizations in development of the business one-stop model. This model is viewed as one of the strategies that will attain the Governor's vision of creating a flexible, seamless, demand-driven system that addresses high growth, high demand occupation training needs, while minimizing wasteful duplication of services. (Strategic Two-Year Plan for Title I of the Workforce Investment Act of 1998, July 2005 – June 2007, pages 8-11)

***What is the WIRED program and how will this bill extend its benefits?***

WIRED is a national initiative of the US Department of Labor that is a regional, integrated approach to workforce, education, and economic development with the goal of expanding employment. WIRED focuses on talent development to drive regional economic competitiveness and job growth. Under the Governor's leadership, Montana received a 3-year grant award of \$15 million.

The WIRED grant will help establish a bio-energy and bio-products cluster in 32 central and eastern Montana counties and six Indian reservations. MMEC received a sub-grant of \$700,000 to supply training to bio-based manufacturers in WIRED counties. HB 371 will allow the MMEC to extend its work in 32 WIRED counties plus 24 non-WIRED counties, as well as provide technical expertise to bio-based manufacturers in all 56 counties, and to extend its work beyond the January 2009 expiration of grant funding.

***Is there bipartisan support for this bill?***

HB 371 passed the House on 3<sup>rd</sup> reading 80-20.

## 2007 Montana Legislature

About Bill -- Links

### HOUSE BILL NO. 371

INTRODUCED BY SONJU, TAYLOR, BECK, W. JONES, L. JONES, CORDIER, GILLAN, JACKSON, BLASDEL, BERGREN, BRUEGGEMAN, BROWN, WARD, BARKUS, SINRUD, WITTE, EVERETT, MILBURN, HILBERT

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THE MONTANA MANUFACTURING EXTENSION CENTER AT MONTANA STATE UNIVERSITY-BOZEMAN WITH APPROPRIATIONS FOR A DEMONSTRATION CONSTRUCTION PROJECT REGARDING ECONOMIC DEVELOPMENT CLUSTERING AND FOR AN EXTENSION OF COVERAGE AND APPLICATION OF THE FEDERALLY FUNDED WORKFORCE INNOVATION IN REGIONAL ECONOMIC DEVELOPMENT (WIRED) PROPOSAL; PROVIDING A LIMIT ON ADMINISTRATIVE COSTS; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Appropriation. (1) There is appropriated from the general fund to the Montana manufacturing extension center at Montana state university-Bozeman the following amounts:

~~(4)(A)~~ \$1 million for fiscal year 2008 for facilities expansion or renovation of a business one-stop center that houses clusters of economic development programs, including but not limited to employment and training services, small business development, government contracting assistance, tourism and convention promotion, manufacturing technical assistance, and business advocacy; and

~~(2)(B)~~ \$500,000 for fiscal year 2009 to expand the coverage of services originated under the state's workforce innovation in regional economic development proposal, funded under the ~~American Competitiveness and Workforce Improvement Act of 1998, Public Law 105-277~~ IMMIGRATION AND NATIONALITY ACT, 8 U.S.C. 1101, ET SEQ., to all counties in this state and to allow technical assistance as well as training.

(2) ADMINISTRATIVE COSTS MAY BE NO MORE THAN 7% OF THE APPROPRIATION IN EACH FISCAL YEAR.

(3) THE MONTANA MANUFACTURING EXTENSION CENTER SHALL PROVIDE A REPORT TO THE LEGISLATIVE FINANCE COMMITTEE AT THE END OF FISCAL YEAR 2008 AND FISCAL YEAR 2009 ON HOW THESE FUNDS HAVE BEEN SPENT AND ON OUTCOMES ACHIEVED THROUGH THE EXPENDITURE OF THESE FUNDS.

NEW SECTION. Section 2. Effective date. [This act] is effective July 1, 2007.

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An affiliate of the NIST Manufacturing Extension Partnership

## Helping Manufacturers

The Montana Manufacturing Extension Center (MMEC) is an statewide outreach center offering engineering and business management assistance and workforce training. MMEC is part of a nationwide network, the NIST Manufacturing Extension Partnership (MEP), where it can tap additional expertise for assisting small and mid-size manufacturers in becoming more competitive and profitable.

MMEC can help with **systems and practices for managing equipment, building space, processes and people**. MMEC can help design and implement plans that **yield lower costs, greater production, and increased product quality** to meet customer demands quickly and staying focused on doing the things that add value.

Key to MMEC success is

Clear understanding of available and needed equipment and processes in Montana facilities from working on-site with manufacturers.

Ability to tie training directly to best practices implementations, ensuring successful outcome of time and money invested.

Access to a vast network of resources in Montana and nationwide.

### MMEC ECONOMIC BENEFIT STATEMENT

Manufacturing firms that receive direct MMEC services report retaining and hiring new workers as a result of projects; show increased and retained sales and making both capital and workforce investment. These impacts add dollars to the state coffers.

### MMEC IMPACT DATA

MMEC has assisted more than 540 Montana manufacturing firms since it was founded in 1996, with an average 92% satisfaction rating by its clients.

The MMEC program's job impacts over 10 years: 466 manufacturing jobs retained and 309 new jobs through June of 2006 as a result of direct MMEC services, reported in independent survey of completed client projects. Every manufacturing job creates as many as 2.58 additional jobs in the Montana economy, according to the Department of Labor and Industry IMPLAN model.

Growing manufacturing is good for the state as this sector's wages average nearly 26% higher than the average for all workers in the state. (\$36,857 compared to \$29,129). [UM Bureau of Business and Economic Research data]

MMEC direct services have resulted in \$64 million in increased sales and nearly \$58 million in retained sales, according to independent client survey of completed projects.

MMEC provides more than point solutions to keep manufacturers moving forward, often coaching Montana companies that have limited in-house resources for continuous improvement.

MMEC provides relevant workforce development to ensure successful project implementations.

With field staff working directly on the plant floor of Montana companies, referrals to complementary business resources are a natural outcome for continued growth of Montana companies.

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